AstraZeneca Is Fined

AstraZeneca plc will pay $5.52 million to resolve a foreign bribery investigation into improper payments by its sales and marketing staff to state-employed health care officials in China and Russia. The Securities and Exchange Commission approved the settlement with the London-based drug company.

RX RETAIL PHARMACY

Pfizer to Buy Medivation

Pfizer Inc. plans to acquire cancer drug maker Medivation for about $14 billion, including the assumption of debt. The deal makes Pfizer the winner in a bidding war that started when French drug manufacturer Sanofi offered about $9.3 billion for Medivation in April. Medivation makes the prostate cancer drug Xtandi.

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News

FDA Steps Up Warnings For Certain Antibiotics

The Food and Drug Administration is strengthening label warnings on a class of antibiotics called fluoroquinolones because the drugs can lead to disabling side effects, including long-term nerve damage and ruptured tendons. The FDA also cautioned that these bacteria-fighting drugs, including levofloxacin (Levaquin) and ciprofloxacin (Cipro), shouldn't be prescribed for sinusitis, chronic bronchitis or simple urinary tract infections unless no other treatment options exist.

Price transparency

After being approved by a key California legislative committee, a bill that would have required drug companies to justify treatment costs and price hikes was pulled by its author. California state Sen. Ed Hernandez (D., West Covina) said that he introduced the bill "with the intention of shedding light on the reasons precipitating skyrocketing drug prices." But amendments by an assembly committee make it difficult to accomplish this goal, he said in a statement.

Giant Eagle Rx

Giant Eagle Pharmacy has received full specialty pharmacy accreditation from URAC, an independent, nonprofit health care accrediting organization that assesses quality standards for the industry. URAC's specialty pharmacy accreditation serves as a symbol of excellence for commitment to quality and accountability.

Novo Nordisk HQ

The nearly 100-acre corporate campus that houses pharmaceutical company Novo Nordisk in New Jersey has been sold for $305 million. Korean investment firm Hana Asset Management Co. bought the 762,000-square-foot structure. Novo Nordisk, a specialist in diabetes care, began occupying the former Merill Lynch building in 2013.

Newsmakers

Neurotrope Taps Wilke To Serve as Chief Exec

Neurotrope Inc. has appointed Susanne Wilke as chief executive officer. Neurotrope noted that Wilke brings significant leadership, sector and investing experience to the company, based on her work at leading biotechnology and pharmaceutical firms, including Hoffman La Roche, Amgen and Forest Labs. Neurotrope specializes in medications for the treatment of neurodegenerative diseases, including Alzheimer's disease.

Alicia Secor (Juniper Rx)

Alicia Secor is the new president and CEO of Juniper Pharmaceuticals Inc. Juniper, a women's health therapeutics company, said that Secor will also be appointed to the board of the Boston-based company. Secor is a proven leader, with an impressive combination of vision, passion and experience building and managing pharmaceutical businesses," said board chairman Jim Geraghty. Secor has over 25 years of experience as a life sciences executive.

Rob Monahan (Akorn)

Akorn Inc., a leading specialty generic pharmaceutical company, announced that Rob Monahan has joined the drug firm as senior vice president of corporate development. He joins Akorn from Walgreens Boots Alliance, where he was a corporate development professional focused on mergers and acquisitions, having most recently served as vice president of mergers and acquisitions.

Paul Herendeen (Valeant Rx)

Valeant Pharmaceuticals International Inc. announced that Paul Herendeen has been appointed as executive vice president of finance and that he has taken over the role of chief financial officer from Robert Rosiello. The company added that Rosiello will remain at Valeant as executive vice president of corporate development and strategy. Herendeen has more than 30 years of broad financial experience and leadership.

Preserving Patient Bonds

Focus

By Robert Dudzinski

While pharmacists spend years training to be experts on drug formulation, dosing and how to prevent adverse interactions between medications, it's probably not their favorite part of the job. Many instead relish the one-on-one interactions with longtime customers throughout different seasons of their lives.

This is a key moment for pharmacists to cement their role as a health care provider with a 360-degree view of the patient. Post Affordable Care Act, the wait for doctors' appointments is rising, and pharmacies prepared to provide patients with a growing array of primary care services will flourish. Pharmacists can be the eyes and ears of the health care ecosystem, because patients visit the pharmacy once a month — at least — versus the once-yearly visit to their primary care physician. In a recent survey by PwC's Health Research Institute, three-quarters of consumers surveyed said they were open to "extenders," such as nurse practitioners and pharmacists, performing health services.

Relationships at risk

But these important relationships are in jeopardy as pharmacies, too, see their volumes rise. U.S. pharmacy sales crossed the $225 billion mark in 2014, and they continue to climb due to patients newly insured through the ACA and recent Medicaid expansion of drug coverage. Pharmacists are also stretched thin by population health initiatives that demand new pharmacy services such as large-scale medication adherence and chronic disease management programs. So at many drug store chains these days, long waits on the phone and in person may threaten to derail both customer loyalty and pharmacist morale.

It may seem counterintuitive, but the best chance the retail pharmacy industry has to preserve and enhance patient engagement is to automate and offload routine tasks so that pharmacists can focus on what they do best, counseling and advising patients to improve medication adherence outcomes. The time is now to free up pharmacist capacity so drug store chains can take advantage of the current opportunity to expand the role of pharmacists as a key hub in the patient journey.

Enter automation

Forward-thinking pharmacy chains are looking to technology to automate prescription filling, maximize work flow, monitor performance and track medication adherence. The first step in modernizing a retail pharmacy engagement strategy is to enable self-service for those consumers who want it. Collapsed phone menus, guided by IVR, can provide end-to-end service for customers with simple queries.

For those customers with more complex or ongoing needs, a combination of automation and the pharmacist touch can help patients to stay

Robert Dudzinski, West Corp.

engaged as they initiate, titrate and transition among medications. By creating new touch points in the channel of the customer's choice, pharmacists can help them work through any challenges with their medication, keeping them on therapy and boosting both outcomes and the bottom line.

When it comes to customer channel preference, technology can help by alerting pharmacy staff to which consumers are calling from smartphones. Pharmacists can then proactively reach out to see if customers would prefer to receive text refill reminders or medication adherence education, versus phone calls.

Real-world engagement

Here's an example of how some pharmacies are using a combination of automation and pharmacist touch to optimize patient engagement

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New Rx Pricing Model on the Horizon

NEW YORK — The future could bring a radical shift in drug pricing, with charges for medications based on their effectiveness in restoring patients' health as opposed to the number of pills in a vial.

That is the assessment of experts who see a pharmaceutical industry under pressure from political forces and slowing global economic growth. In the U.S., Democrats and Republicans are vowing to scrutinize drug prices, while budgetary pressures in Europe are putting a clamp on health spending. And governments in China and other Asian countries are casting a harsher light on drug makers.

Outcomes-based pricing is seen as a way to get the most bang for the drug buck, and also a means to ensure future research and development funds are spent wisely. But bringing about the change will depend on gathering data that forcefully links drug regimens to health gains, along with a new way of thinking, the experts say.

Kurt Kessler, managing principal at ZS Associates in Zurich, a sales and marketing consulting firm, said the shift is inevitable, while telling Reuters that it will be a difficult path because of the challenges of obtaining the needed data and discerning the best outcomes to gauge.

Historically, governments and insurance companies reserved funds for new medications by switching to inexpensive generics with the expiration of patents on older drugs. But generics already make up almost nine-tenths of prescriptions in the U.S., and the rate of patent expirations has slowed significantly. So scant money is left for expensive new medicines for cancer and other diseases that have defied cures, even as ever more drugs are rolled out. In the U.S., the Food and Drug Administration has already approved 16 new drugs in 2016.

What may ultimately recast the pharma business model is the market. Just last month, $10 billion was cut off the market value of Novo Nordisk AS after the world's biggest diabetes product supplier cautioned investors about falling U.S. prices.

And PBM administrators are refusing coverage for some drugs determined to be too costly — including Novo Nordisk's. The resulting crunch has been felt in therapeutic categories including diabetes, which generates some 12% of global health care spending.

Denmark-based Novo Nordisk is not alone in warning of headwinds. The chief executives of GlaxoSmithKline PLC, Eli Lilly and Co., and Novartis AG have all warned of substantial pressures on pricing.

With the U.S. accounting for two-fifths of worldwide drug sales, the market here is the top concern of drug company executives, who are bracing for pitched battles with government officials.

Novartis chief executive officer Joe Jimenez says drug manufacturers must craft outcomes-based pricing models, like the deal Novartis recently agreed to with two U.S. insurers for its new heart failure medication.

Two Studies Shed Light on High-Need, High-Cost Patients

NEW YORK — An estimated 12 million people living at home in the United States have three or more chronic illnesses in addition to a functional limitation that makes it hard for them to perform basic daily tasks such as getting around the house or talking on the phone, according to a new Commonwealth Fund report.

These adults, who face medical problems that are among the most complicated in the U.S. health care system, are older and less educated than U.S. adults overall and more likely to be female, white, low-income and publicly insured. More than half of high-need adults are over 65, and nearly two-thirds are women. Among these sickest adults, more than one of four did not finish high school, compared with about one in six in the total adult population.

The report "High-Need, High-Cost Patients: Who Are They and How Do They Use Health Care?" was released with "Health System Performance for the High-Need Patient: A Look at Access to Care and Patient Care Experiences." Together, the analyses present a detailed look at the group of patients that health system reformers are currently spending much of their time focusing on: the small percentage of the U.S. population that accounts for a large share of health care expenditures.

"We have known for a long time that there are very sick patients facing challenges in daily living and that our health care system has to do a better job of caring for them," said Melinda Abrams, vice president for delivery system reform at The Commonwealth Fund and a coauthor of the reports. "This research shows us who they are, what their needs are, and how the system is, or isn't, working for them right now. This gives us a clearer picture of how to help them get and afford the care they need, so they're able to live their lives to the fullest extent possible."

According to the new research, the sickest adults struggle to get the health care they need but still spend more out of pocket and have higher medical costs than other adults.

Twenty percent of the sickest adults reported going without or delaying needed medical care or prescription medication in the past year, compared to 8% of all U.S. adults.

Out-of-pocket expenses for adults with high needs were more than twice those of the average adult ($1,669 versus $702). At the same time, the annual median household income for high-need adults was less than half that for the overall adult population.

Average annual per-person spending on health care was $21,021 for the sickest adults — nearly three times the average for adults with multiple chronic diseases but no functional limitations ($7,526), and more than four times that for the average U.S. adult ($4,845).

Although 96% of high-need adults have health insurance, that coverage does not guarantee they are able to get the care they require. High-need adults with private insurance are the most likely to have unmet medical needs (32%), followed by those with Medicaid (28%), Medicare (15%), and both Medicare and Medicaid (14%). High-need Medicaid beneficiaries have greater difficulties obtaining referrals to specialists compared to high-need Medicare beneficiaries or individuals with private insurance.

"We are asking the sickest people to pay the most, when they have the lowest incomes," said Gerard Anderson, a professor at Johns Hopkins Bloomberg School of Public Health and a coauthor of the studies.

As health system leaders and policy makers look for ways to improve health care and reduce costs, they have focused to a great extent on patients with multiple chronic illnesses. This research finds that even more priority should be given to people with the greatest needs: chronically ill patients who struggle with limitations that impair their ability to function on a daily basis.

Specifically, the reports recommend that private insurers should consider how benefits and provider networks can be improved to help high-need enrollees; that state policy makers should consider how to ensure that high-need adults enrolled in Medicaid are able to access needed specialty care; and that initiatives that seek to improve care for high-need patients should target the patients most likely to benefit and tailor programs to their unique characteristics and needs.

"The sickest patients have the highest medical spending but cannot reliably get the health care they need, even though they have insurance," stated Commonwealth Fund president David Blumenthal.

Preserving Patient Bonds as Rx Volumes Rise

From 51

throughout an episode of care:

Meet Jim, a 60-year-old man with diabetes. The pharmacist first sends Jim an "order ready" notification. Since this medication is new, the pharmacist activates a customized communications solution geared towards a specific type of medication — in this case, diabetes drugs. Jim has indicated that he prefers text message, so within 24 hours of drug pickup, the pharmacist sends him an order ready text message. Five days later, the pharmacist sends an automated IVR asking him to take a short survey to reveal any side effects or other hurdles to medication adherence. If Jim is found to be noncompliant, the platform will alert the pharmacist to follow up, via text or phone call, using survey information to customize reminders — such as advice to take a pill with food to avoid nausea, for instance. If the survey shows Jim is compliant, no follow-up is needed. Jim will receive an automated message at 25 days to reassess his compliance and remind him to refill his medication.

Chains will have to rethink the outdated conflict between automation and the personal touch

This type of integrated, customized engagement strategy helps to free up capacity by automating communications for compliant patients, while offering additional support to noncompliant patients. In this way, pharmacies can drive more insightful programs around medication adherence at scale, capacity and lower cost.

Always improving

The most cutting-edge drug store chains are also using advanced analytics to drive continuous learning and improvement. These tools can help detect customers most at risk for medication nonadherence, track outcomes over time, and report data back to physicians and health insurers.

For instance, Costco, with pharmacies in 459 of its warehouse stores, is preparing to implement a technology tool for outcomes management, with a focus on the Centers for Medicare and Medicaid Services' Star Ratings. It will enable Costco to identify at-risk and nonadherent patients.

The Health Mart chain recently launched an online platform that gives health plans and community pharmacy organization members access to their performance data and industry benchmarks to help identify areas to improve.

Drug store chains of the future will have to rethink that outdated conflict between automation and the personal touch. Today's health care landscape demands that pharmacies leverage technology to scale their businesses and free up pharmacist capacity to preserve and enhance patient relationships — drug store chains' greatest differentiator.

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Three Walgreens Projects Tackle the Problem of Adherence

DEERFIELD, Ill. — Three different Walgreens studies serve as examples of the advancements — and challenges — in improving medication adherence rates.

In one analysis, Walgreens conducted a study to determine whether patients who received treatment from HIV-specialized pharmacies had higher adherence rates. The results showed that patients who were served by HIV-specialized pharmacies displayed 6.2% higher adherence on average and that the number of patients who reached required adherence levels rose by 20.8% compared to patients using traditional pharmacies.

The nonadherent rate showed the same pattern, with those using HIV-specialized pharmacies showing 11.3%, which was 35% lower than the control group.

Results from another study, developed in collaboration between Walgreens and the University of Chicago, suggest that pharmacy interventions and benefit plan designs with low co-pays could be key factors in helping to improve adherence to statin (cholesterol) medications for patients who are living in minority communities. In these predominantly African-American and Hispanic neighborhoods, better adherence was associated with several variables, including co-pays under $10, the use of 90-day refills and whether a patient had a health plan (or payer) other than Medicaid.

"Adherence to medications for chronic conditions such as high cholesterol is critical to the prevention of unnecessary hospitalizations and better heart health outcomes for patients," said study coauthor Michael Taitel, Walgreens' senior director of health analytics, research and reporting.

The study, which was published in the peer-reviewed *Journal of Racial and Ethnic Health Disparities*, specifically compared adherence rates for more than 300,000 patients, focusing on those filling new prescriptions for statin medications at Walgreens pharmacies in mostly minority communities, compared to those filling the same prescriptions at Walgreens in mainly Caucasian neighborhoods. In analyses adjusting for patient-level factors associated with poor adherence, including age, insurance, payer, prescription cost and convenience, patients residing in African-American and Hispanic neighborhoods had two weeks to three weeks less statin therapy over a one-year time period.

Another study was conducted to determine the patient and health plan factors associated with Zostavax (a shingles vaccine) abandonment rates. During the study period, the findings show an overall abandonment rate of 38.9%.

"Abandonment rate varied by patient demographics and health plan factors, but patient out-of-pocket cost remained the most significant predictor of abandonment," says Walgreens.

"Our study highlights the implications of patients' noncompliance with the use of in-network providers for immunization services and could be leveraged for value-based benefits design to promote access to recommended vaccinations."

How Local Health Systems Measure Up

NEW YORK — A new study by the Commonwealth Fund finds that health care improved in many American communities between 2011 and 2014 but that wide variation exists and there remains considerable room for improvement. The report further finds that where improvement did occur, the main reasons were that more people had insurance coverage and health care providers performed better.

The "2016 Scorecard on Local Health System Performance" examined 33 indicators across four main performance categories: access to health care, prevention and treatment, avoidable hospital use and costs of care, and health outcomes. The study focused on 306 regional health care markets — known as "hospital referral regions" — in the United States from 2011 to 2014, a period when the Affordable Care Act (ACA) was being implemented.

In general, health care improved more than it worsened in nearly all communities, but in many the gains were so modest as to have little meaning. Moreover, significant problems persist: obesity rates rose in roughly one third (111) of the communities, while rates of premature deaths from treatable conditions were largely unchanged in nearly all (298) of the local areas.

In addition, there were wide variances between regions and sometimes even within states. As a result, only 14 of the 306 localities showed improvement on a majority (17 or more) of the scorecard indicators. Akron, Ohio, and Stockton, Calif., led all others by improving on more measures (19) than any other local areas.

The top-ranked regions were Hawaii, the Upper Midwest, New England and the San Francisco Bay area, with the South and the West trailing. The study suggests that the regional variation in results may reflect differences in state health care policies as well as socioeconomic factors and local resources.